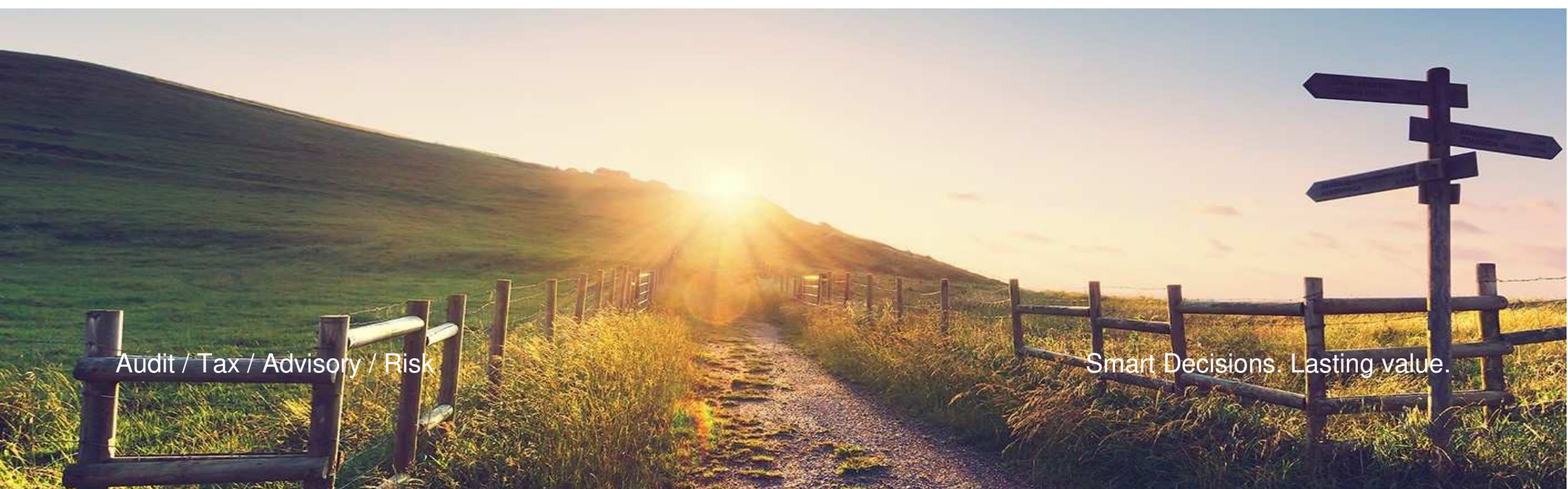




Imperial College Union

Year ended 31 July 2020

Audit Findings Report



Audit / Tax / Advisory / Risk

Smart Decisions. Lasting value.

The Trustees
Imperial College Union
Beit Quadrangle
Prince Consort Road
London
SW7 2BB

October 2020

Dear Trustees

Audit for the year ended 31 July 2020

Following the completion of our audit fieldwork on the financial statements of Imperial College Union for the year ended 31 July 2020 we have pleasure in submitting our Audit Findings Report setting out the significant matters which have come to our attention during our audit of which we believe you need to be aware when considering the financial statements. The matters included in this report have been discussed with Imperial College Union's management during our audit and at our meeting on 24 September 2020 and 23 October 2020. Neha Ghandi and Jayne Hufford have seen a draft of this report and we have incorporated their comments and/or proposed actions where relevant.

The Covid-19 virus outbreak has had a significant impact on the Imperial College Union reporting and on our audit processes this year and we have commented specifically on this in the report. Alastair Lyon will be attending your meeting on 18 November and will be pleased to provide any further information or clarification on this or any other matters which you may require.

We would like to express our appreciation for the assistance provided to us by the finance team and the other staff at the charity during this year's audit.

Use of this report

This report has been provided to the Board of Trustees. We accept no duty, responsibility or liability to any other parties, since this report has not been prepared, and is not intended, for any other purpose. It should not be made available to any other parties without our prior written consent.

Yours sincerely

Crowe U.K. LLP

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1. Audit overview

Audit scope and approach

Our audit work has been undertaken for the purposes of forming our audit opinion on the financial statements of Imperial College Union prepared by management with the oversight of the trustees and has been carried out in accordance with International Standards on Auditing (UK) ('ISAs').

Our work combined substantive procedures (involving the direct verification of transactions and balances on a test basis and including obtaining confirmations from third parties where we considered this to be necessary) with a review of certain of your financial systems and controls where we considered that these were relevant to our audit.

To complete our audit this year we have had to work with the charity's management to adapt, reschedule and move on-line some of our audit processes to meet the Covid-19 related social distancing and other restrictions. These changes have limited some of our direct access to your premises, staff and on-site records. We have therefore had to assess the overall impact of this on our audit and, in particular, whether with these changes we have been able to obtain sufficient audit evidence on which to base our audit opinion.

We have commented below on matters that need to be finalised before we complete our audit and also later in this report on our approach to the key audit risks. Subject to the satisfactory completion of the outstanding matters, we believe that we will have obtained sufficient audit evidence and that there have not been any restrictions or limitations on our audit.

Communicating significant findings from our audit

We are required by ISAs to communicate with the trustees as "those charged with governance" various matters from our audit including:

- our views about significant qualitative aspects of the charity's accounting practices, including accounting policies, accounting estimates and financial statement disclosures,
- significant difficulties, if any, encountered during the audit,
- any significant matters arising during the audit and written representations we are requesting,

- circumstances that affect the form and content of our auditor's report, if any, and
- any other significant matters arising during the audit that, in our professional judgment, are relevant to the oversight of the financial reporting process.

We have included comments in relation to the above where relevant in the subsequent sections of this report.

We also report to you any significant deficiencies in internal control identified during our audit which, in our professional judgment, are of sufficient importance to merit your attention. We have reported a number of matters relating to the charity's systems and controls in section 4.

You should note that our evaluation of the systems of control at Imperial College Union was carried out for the purposes of our audit and accordingly it is not intended to be a comprehensive review of systems and processes. It would not necessarily reveal all weaknesses in accounting practice or internal controls which a special investigation might highlight, nor irregularities or errors not material in relation to the financial statements.

Audit completion

We have substantially completed our audit in accordance with our Audit Planning Report which was sent to you and the senior management team on 23 July 2020, subject to the matters set out below.

- Confirmation of Union debtor balance with College
- Completion of the going concern and post-Balance Sheet events reviews.
- Review of the final financial statements.
- Receipt of the signed letter of representation.

We will report to you orally in respect of any modifications to the findings or opinions contained in this report that arise on completion of the outstanding matters. On satisfactory completion of the outstanding matters, we anticipate

issuing an unmodified audit opinion on the truth and fairness of the financial statements.

Critical audit matters

We have identified income, management override of controls and the pension deficit liability as being critical to the financial statements and have considered these matters further in section 2 of this report.

Additionally, going concern has become an increased risk area for all organisations given the current unprecedented environment surrounding COVID-19 and we have considered in section 2 going concern and the impact of COVID-19 on the Trustees' Report and financial statements

Materiality and identified misstatements

As we explained in our Audit Planning Report, we do not seek to certify that the financial statements are 100% correct; rather we use the concept of "materiality" to plan our sample sizes and also to decide whether any errors or misstatements discovered during the audit (by you or us) require adjustment. The assessment of materiality is a matter of professional judgement but overall a matter is material if its omission or misstatement would reasonably influence the economic decisions of a user of the financial statements.

The audit materiality for the financial statements set as part of our audit planning took account of the level of funds held by Imperial College Union and was set at approximately 2% of total assets. We have reviewed this level of materiality based on the draft financial statements for year ended 31 July 2020 and are satisfied that it continues to be appropriate.

We also report to you any unadjusted individual errors other than where we consider the amounts to be trivial, and for this purpose we have determined trivial to be £5,000.

We are pleased to report that there are no remaining unadjusted items identified from our audit in excess of the above trivial limit.

Ethical Standard

We are required by the Revised Ethical Standard 2016 for auditors issued by the Financial Reporting Council ('FRC') to inform you of all significant facts and

matters that may bear upon the integrity, objectivity and independence of our firm.

Crowe U.K. LLP has procedures in place to ensure that its partners and professional staff comply with both the relevant Revised Ethical Standard for auditors and the Code of Ethics adopted by The Institute of Chartered Accountants in England and Wales.

In our professional judgement there are no relationships between Crowe U.K. LLP and Imperial College Union or other matters that would compromise the integrity, objectivity and independence of our firm or of the audit partner and audit staff. We are not aware of any further developments which should be brought to your attention.

Legal and regulatory requirements

In undertaking our audit work we considered compliance with the following legal and regulatory requirements, where relevant.

- Charities Act 2011
- The Charities (Accounts and Reports) Regulations 2008
- Financial Reporting Standard 102 (FRS 102)
- The Charities SORP (FRS102) (effective 1 January 2015)

Financial statements

The trustees of Imperial College Union are responsible for the preparation of the financial statements on a going concern basis (unless this basis is inappropriate). The trustees are also responsible for ensuring that the financial statements give a true and fair view, that the process your management go through to arrive at the necessary estimates or judgements is appropriate, and that any disclosure on going concern is clear, balanced and proportionate.

2. Significant matters from our audit

We reported in our Audit Planning Report a number of areas we identified as having specific audit risk including the potential risk from management override of controls which auditing standards deem to be a significant risk for all audits. We have commented below on the results of our work in these areas as well as on any key additional risks, judgements or other matters in relation to the financial statements of Imperial College Union identified during our audit.

2.1 Going concern

We explained in our Audit Planning Report that in preparing the financial statements to comply with Financial Reporting Standard 102 the Trustees and management are required to make an assessment of the charity's ability to continue as a going concern. In assessing whether the going concern assumption is appropriate, the Trustees and management are required to consider all available information about the future of the charity in the period of at least, but not limited to, twelve months from the date when the financial statements are approved and authorised for issue.

The trustees' going concern assessment is a key area of emphasis and importance for our audit and, in accordance with the requirements of ISAs (UK), our audit report includes a specific reference to going concern.

The impact of the Covid-19 outbreak will require all entities, including charities, to reassess their financial position and their ability to continue to operate as a going concern. This may require considering a number of factors including updating the charity's budgets and forecasts. Where trustees identify possible events or scenarios, other than those with a remote probability of occurring, that could lead to failure, then these should be disclosed in the financial statements.

Trustees may consider and take account of realistic mitigating responses open to them, considering the likely success of any response.

We have discussed this with the Imperial College Union management and explained that our work on going concern includes the following:

- reviewing the period used by Trustees to assess the ability of Imperial College Union to continue as a going concern,
- examining budgets and forecasts prepared by management covering the period of the going concern assessment which adequately take account of the potential impacts of Covid-19 on the charity to ensure that these appropriately support the trustees' conclusion,

- reviewing the accuracy of past budgets and forecasts by comparing the budget for the current year against actual results for the year, and
- reviewed any other information or documentation which the Trustees have used in their going concern assessment.

The Financial Reporting Council thinks it is likely that more companies (and this will include charities) will disclose "material uncertainties" to going concern in the current circumstances. For these reasons we have identified this area as a specific area of audit risk with respect to Imperial College Union.

Covid-19 is a fast-moving situation and it will be important that the trustees consider not only the budgets and forecasts but also the sensitivity analysis on these. Key considerations will be around reserves, liquidity and resilience.

a) Reserves

The Charity Commission guidance "Managing financial difficulties & insolvency in charities" (CC12) stresses the importance for "a trustee body to have a good knowledge and understanding of the charity and its finances so that, as far as possible, the continued viability of the charity and its charitable activities can be assured."

This is a theme that runs through the Charity Commission's updates and alerts including its guidance on whether charities can use reserves and restricted funds to help the charity through the crisis.

As at 31 July 2020 Imperial College Union is reporting unrestricted funds totalling £1,849,796. After deducting amounts used to fund tangible fixed assets or otherwise not available to fund ongoing expenditure, the charity is reporting reserves of £451,152.

The Charity Commission guidance highlights a number of factors the trustees need to consider.

- Trustees should review what are their short, medium and longer-term priorities, including whether or not certain projects, spends or activities can be stopped or delayed.
- The guidance recognises that reserves can be used to help cope with unexpected events like those unfolding at present.
- If the trustees have previously decided to earmark certain funds for a particular purpose they may be able to re-prioritise these.
- Restricted funds which cannot be spent at the trustees' discretion may only be used for a particular and defined purpose. In some instances, there may be ways to amend these restrictions, but accessing or releasing restricted funds should only be considered if other options such as reserves are not possible.
- All decisions on such financial matters should normally be taken collectively, and significant decisions and action points noted in writing.

b) Liquidity and resilience

The Charity Commission guidance goes on to explain that *“The overall responsibility for effective governance and the implementation of proper financial management rests with the trustees, but may well involve all staff members whether paid or volunteers.”*

As well as the level of available reserves the trustees will also need to understand and consider the charity's liquidity.

- Proper consideration needs to be given to cash flow forecasts and debt and project management based on realistic assumptions set. There should be a budget including cash projections and business plans produced at least annually and monthly monitoring against the plans.
- There is a need to extend cash flow forecasts to evaluate issues that may arise after the end of the period covered by existing cash flow forecasts.
- There should be processes in place to ensure that appropriate procedures and controls have been applied to models used to

generate cash flow and valuation information, including the choice and consistent use of key assumptions.

- Appropriate sensitivity analysis needs to be applied to address the potential impact of reasonably possible events. Sources of income and expenditure should be analysed with consideration of uncertainties around grant funding, voluntary or earned income.
- The sensitivity analysis should properly flex assumptions to identify how robust the model outputs are in practice and that the assumptions are free from bias.

In April 2016 the FRC issued its guidance on the Going Concern Basis of Accounting and Reporting on Solvency and Liquidity Risks for companies that do not apply the UK Corporate Governance Code. Whilst this guidance refers to “directors” and “companies”, the report makes it clear that it is designed to relate to all other entities preparing accounts under the going concern basis and it will therefore be applicable to charities and charity trustees.

The guidance defines Solvency Risk as *“the risk that a company will be unable to meet its liabilities in full”* and Liquidity Risk as *“the risk that a company will be unable to meet its liabilities as they fall due”*.

The guidance sets out some of the factors which directors should consider as part of their assessment process but also explains that it is the directors that need to determine the relevance of these factors considering the size, complexity and the particular circumstances of the organisation, its industry and the general economic conditions.

In their updated guidance ‘Company Guidance Update March 2020 (COVID-19)’, the Financial Reporting Council, explain *“Given the systemic uncertainties that currently exist, many boards will be less confident in stating that they have a reasonable expectation that the company will be able to continue in operation and meet its liabilities as they fall due over a period of assessment (“the viability statement” as required for compliance with the UK Corporate Governance Code)”*.

However, the FRC stresses the following points:

- *“Boards are required to have a “reasonable expectation” of the company's viability over the period of assessment – during the current*

emergency and unprecedented pace of change, any reasonable level of expectation would naturally carry a much lower level of confidence;

- *Being clear on the company's specific circumstances and the degree of uncertainty about the future is important information; and*
- *When presenting a company's viability statement, its board should draw attention to any qualifications or assumptions as necessary.*

In describing any qualifications to the statement, a board should describe the limits of the predictions, the level of confidence with which they have been made and the uncertain future events that could prove critical to viability.

Similarly, the key assumptions made and the future scenarios considered should be explained. Many companies already use scenario and stress testing in developing their statements and this should continue as far as practicable. The use of reverse stress testing, to identify future scenarios that could lead to corporate failures, is also good practice.

At this time, the need for fuller disclosure is paramount."

In addition, there may be charity specific issues to consider including ensuring that there are no breaches of trust with respect to any restricted income or endowed funds and that the charity is able to meet its obligations in relation to these funds. Trustees may be held liable for a breach of trust if they apply restricted funds for purposes outside of the relevant restriction.

CC25: "Charity finances: trustee essentials" – issued in March 2017 emphasises the need for charities to be resilient. This is a key theme for much of the Commission's guidance is also discussed in the updated CC19 guidance entitled "Charity reserves: building resilience".

In the section on 'managing financial difficulties and insolvency, CC25 explains that if charities face financial difficulties then the trustees must:

- *"have the appropriate skills and time to ensure the proper running of the charity and lead or manage it through difficulties,*
- *ensure that they regularly receive and consider robust and up-to-date financial management information to enable them to recognise at an early stage when the charity is facing financial difficulties,*

- *find out which charity funds are restricted in their use by their donors and which can be used for any of its aims - this is crucial to the proper understanding of the charity's overall financial position,*
- *take prompt action when they think insolvency is a possibility – professional advice in writing should be taken at an early stage because any corrective action needs to be carefully planned,*
- *consider changing, cutting or restricting the charity's activities, reviewing funding sources and commitments or refinancing,*
- *think about merging or collaborating with another charity,*
- *have an understanding of (and if necessary take advice about) insolvency law and how it applies to charitable companies, and what voluntary options there are for other types of charity,*
- *recognise that once the charity has reached the stage of liquidation or winding up their primary duty is to pay the charity's debts, and*
- *tell the Commission if the charity closes or is no longer active so that it can be removed from the register of charities (legal requirement)."*

c) Insolvency

There are normally two tests of insolvency – the balance sheet test (positive net assets) and the cashflow test. The key issue is, can the organisation pay its debts as they fall due? The cash flow test is of particular importance and a charity can be insolvent even if it has positive net assets. Careful consideration is required of many factors, such as what values can be realised in time to meet debts and what assets can be used to meet liabilities. Understanding is needed of the implications of the different restricted and endowed funds held by the charity. The position for trustees of an unincorporated charity is different and the risks are usually higher.

Directors and shadow directors can be guilty of wrongful trading if they continue to trade and incur liabilities they knew or ought to have known that there was no reasonable prospect of avoiding insolvent liquidation.

Fraudulent trading is also a risk. Section 213 of the Insolvency Act provides that on the application of the liquidator of a company the Court may order that any persons who were knowingly party to carrying on the business of the company with intent to defraud creditors must make a contribution to the

company's assets. For a fraudulent trading action, intent to defraud creditors must be proved and the onus of proof is on the liquidator. There must be evidence of actual dishonesty. For an insolvent charitable company, senior management, and not just the trustees, could also be made liable for fraudulent trading. The charity should avoid entering into preferential transactions which put another party in a better position to the detriment of other creditors. The court will recognise mitigating circumstances. For example, if the directors took proper steps to minimise the potential loss to the company's creditors.

On 28 March 2020 the government announced changes to the insolvency regime aimed to provide companies breathing space and keep trading through the COVID-19 pandemic. There will be a temporary suspension of wrongful trading provisions to remove the threat of personal liability during the pandemic, applied retrospectively from 1 March 2020 to 30 September 2020. In addition, there will be a temporary moratorium for companies undergoing a restructuring process so that they cannot be put into administration by creditors and will continue to be able to pay suppliers and staff. The detail and the underpinning legislation is yet to follow. However, it has been clarified that these measures do not impact the existing laws relating to matters such as fraudulent trading, transactions defrauding creditors and misfeasance.

d) Finalising the financial statements

Given the potential for rapid spreading of the virus, required disclosures will likely change over time as more information about the epidemic emerges. As a result, the trustees will need to monitor developments and ensure that they are providing up-to-date and meaningful disclosure before finalising their year-end report.

The Financial Reporting Council in their 'Company Guidance Update March 2020 (COVID-19)' thinks it is likely that more companies will disclose 'material uncertainties' to going concern in current circumstances. The impact of the coronavirus outbreak will require all entities, including charities, to reassess their financial position and their ability to continue to operate as a going concern. This may require considering a number of factors but probably key will be to update the charity's budgets and forecasts and also to consider whether the charity might fail to comply with any external covenants.

Put simply, where boards identify possible events or scenarios, other than those with a remote probability of occurring, that could lead to failure, then

these should be disclosed. Boards may take account of potential responses open to them to mitigate such events or scenarios although would need to consider the likely success of any response.

We understand that management are preparing a detailed paper setting out their assessment of the Imperial College Union's ability to continue as a going concern for consideration alongside the draft financial statements by the Finance and Audit Committee. This will include a summary of the preliminary actions surrounding the outbreak of Covid-19. We will review this assessment alongside the detailed budgets and forecasts as part of our audit finalisation.

We will be seeking representations that the Board has considered the forecasts and is satisfied that the Going Concern basis is appropriate.

2.2 Covid-19 and the financial statements

The measures put in place by the Government to limit the spread of Covid-19 will have a broad range of implications for all organisations and their operations, and will going forward impact on financial results. With the social distancing measures introduced in late March, Imperial College Union has been facing unexpected challenges which will impact on the charity going forward, both in its operations and financially. It is therefore important that the Financial Statement adequately disclose the impact on any significant estimates and judgements as well as providing an explanation of the impact of the challenges as a subsequent event note. The trustees should also provide a comprehensive explanation of the challenges within the narrative reporting in the Trustees' Report.

We have discussed the draft of the proposed additional disclosures with the charity's management and how these fit in with the charity SORP requirements as well as the needs of the charity. However, due to the continually changing environment, the trustees will need to review and monitor these disclosures and update them as necessary before finalising the Report and Financial Statements

To assist our charity clients to identify the key reporting implications we have published a report "Coronavirus: financial reporting issues for charities" which is available on our website -

<https://www.crowe.com/uk/croweuk/insights/covid-19-financial-reporting-charities> .

2.3 Income recognition

As noted in our planning report, the key risks in this area have been identified as follows.

- Completeness (has all income due been appropriately recognised in the period?).
- Benefit (has income been recognised in the appropriate period?).
- Fund allocation (have grant restrictions on the use of the income been appropriately captured in the financial statements?).
- Accuracy (where income is owed at year end, is it likely to be received or should it be provided against?).

We performed the following testing as part of our audit work:

- Analytically reviewed income balances year on year to ensure movements were in line with expectation and also our understanding.
- Performed detailed testing on a sample of income streams in the year.
- Agreed grant income balances to external confirmations.
- Reviewed deferred income balances.

No issues have been noted from the testing carried out.

2.4 Pension deficit liability

We have reviewed the assumptions used in the calculation of the FRS 102 pension liabilities in relation to the USS pension scheme deficit payments as the SAUL deficit is now nil. The USS modeller template used to calculate the pension deficit contributions has led to a decrease in the liability for deficit contributions compared to last year. This is mainly due to the length of the deficit plan reducing from March 2034 to 2028.

2.5 Management override of controls

Auditing standards require us to consider as a significant audit risk areas of potential or actual management override of controls. In completing our audit we have therefore considered the following matters.

Significant accounting estimates and judgements

Management have made a number of necessary significant accounting estimates and judgements which impact the financial statements. We identified the following for specific audit review:

- the assumptions adopted by management to calculate the pension deficit liability;

See point 2.4 for our work on this.

Controls around journal entries and the financial reporting process

We reviewed and carried out sample testing on the charity's controls around the processing of journal adjustments (how journals are initiated, authorised and processed) and the preparation of the annual financial statements. We also considered the risk of potential manipulation by journal entry to mask fraud.

We did not identify any instances of management override of controls or other issues from our sample testing of Imperial College Union journals. However, we note that journal processing can be an area of potential risk and it is good practice to include consideration of this within the overall Imperial College Union risk assessment.

Significant transactions outside the normal course of business

We are required to consider the impact on the financial statements if there are any significant transactions occurring outside of the normal course of the charity's business.

No such transactions were notified to us by management, nor did any such transactions come to our attention during the course of our work.

3. Other matters from our audit

In addition to matters relating to the key areas of accounting and audit focus as reported in Section 2, we have also noted the following matters from our audit work which we should bring to your attention.

3.1 Report and Financial Statements

As noted in the Statement of Trustees' Responsibilities, the Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice. We note there were a few disclosures within the notes which require reallocation. The adjustments did not have an impact on the deficit reported in the year.

- ***Investment disclosure***

The investment note in the draft accounts showed the movement between the bought forward and carried forward investment value as change in market value only. Not all movements within the investment portfolio were attributable to changes in the market value of the investments. It is recommended that investment income (£48k), cash withdrawals (£30k) and investment managers fees (£12k) are shown separately from this figure within the investment movement's note in the accounts.

In addition to this, whilst some of the above entries had been posted correctly in the SOFA (i.e. the investment income had gone to investment income, we noted that some allocations had been posted incorrectly such as the realised gain and losses had been posted to investment income and therefore required reallocation.

The above changes have been updated in the final accounts. There was no overall effect on the deficit in the year.

- ***Debit balances in trade creditors***

The draft accounts workbook included the trade creditor balance as a negative (debit) balance due to the policy of not reposting debit balances for which there is a related accrual on the balance sheet. This figure has now been grossed up and the corresponding accrual reallocated to offset the opposite entry. This is presentational only within the creditors note in the

accounts. The adjustment has been noted in the schedule of adjusting items later on in this report.

A further exercise was carried out by Finance during the audit to review these debit balances to ensure they were satisfied that all amounts had been accrued if relevant. This led to another accrual for £20k to be included in the Financial Statements.

- ***Credit card debtor balance in other creditors***

The credit card balance, which is usually a liability within 'other creditors' was a debit balance of £32k this year due to various refunds received. This amount was netted off in other creditors whereas it should be reallocated to other debtors. This has been adjusted for in the financial statements.

3.2 Unknown income creditor

It was noted that the balance in the nominal code for 'unknown income' has increased substantially from last year to this year, from £39k to £81k. From discussions with finance it appears that this is due to an increased use of 'Stripe' payments, a new system in place which should allow clubs to allocate income for themselves. However we understand there has been system issues in the early implementation of this.

These issues are believed to have been resolved, and the balance should soon reduce once again in FY 2021. However we recommend this is a balance to be kept under regular review going forward to ensure unallocated receipts are rectified sooner rather than later.

3.3 KPMG Internal Audit Report

We have received the KPMG internal audit report prepared in February 2020. The report focused on cash handling, business planning and stock management. Main issues highlighted that will affect audit are related to forecasting which we will obtain for our going concern review.

Recommendations were made which were all accepted by management, this will be kept in mind when carrying out stock testing

It should also be noted that all prior year recommendations have been either fully implemented or partially implemented, with further updates for those that are partially implemented - these relate to shop security where cameras are in the process of being installed, and cash handling where the remaining issue is that reconciliations are not always signed by a manager, although they have been completed.

3.4 Balances owed between the College and Union

As noted in the previous year, there is a debtor balance labelled 'H Bar debtor' which is money banked by the College but owed to the Union. Balance of £5,055 is a credit balance this year (2019: £21,687 debtor). The credit has arisen due to the College paying for some weeks twice in 2019. Whilst understandably there has been no movement in recent months due to the bars not being open, we recommend that this balance is reviewed regularly.

This balance is always treated separately and not shown within the College balance. While this may not be a normal transaction which goes through the Union/College 'intercompany' balance code in the sense of invoices between the two entities, this is still money owed from one entity to the other and therefore should be classified as such in the accounts. However as it is not a material amount and is just a reallocation within the balance sheet, no adjustment is deemed required in respect of this.

See also point 5.6 below as a prior year update for other College balances.

4. Systems and controls issues

We have set out below certain potential improvements to the charity's processes and controls which we noted during our audit work and which we believe merit being reported to you.

Our evaluation of the systems of control at Imperial College Union was carried out for the purposes of our audit and accordingly it is not intended to be a comprehensive review of your business processes. It would not necessarily reveal all weaknesses in accounting practice or internal controls which a special investigation might highlight, nor irregularities or errors not material in relation to the financial statements.

In order to provide you with a clearer picture of the significance of issues raised, we have graded the issues raised by significance/priority before any corrective actions are taken: We have also included as a separate appendix a brief update on the matters we raised last year.

High	These findings are significant and require urgent action.	<i>(0 comments in this category)</i>
Medium	These findings are of a less urgent nature, but still require reasonably prompt action.	<i>(2 comments in this category)</i>
Low	These findings merit attention within an agreed timescale.	<i>(0 comments in this category)</i>

Audit finding and recommendation	Priority	Management response
<p>1. Old debtor balances</p> <p>The trade debtors balance in the Financial Statements amount to £261k of which £183k related to before March 2020 (i.e. more than 4 months old) and £61k has been provided for. In comparison, in 2019, trade debtors were £226k of which £71k related to balances over 4 months old and £29k were provided for.</p> <p>Of the 2020 debtors over 4 months old, the majority (£142k) relate to clubs and societies money, more specifically, from companies who have agreed to sponsor the clubs and societies but have not yet paid. These have been chased but due to COVID19 the companies have not responded.</p> <p>Following a further review by finance, the provision for old amounts not recoverable of £26k were increased by £35k to £61k. We also note these amounts have been included in the SOFA gross, however if the VAT amount is recoverable then the Union should seek to reclaim this back. We recommend that the balances are reviewed regularly and any amounts not recoverable are dealt with accordingly.</p>		<p>Agreed. 2019/20 has been challenging for the Finance team due to significant staff changes and the impact of Covid-19.</p> <p>As a result, credit control has not been as effective as it has in previous years. We are in the process of reviewing our credit control procedures and will shortly be engaging the services of a debt collection agency, STA International.</p>

Audit finding and recommendation	Priority	Management response
<p>2. Debit balances with trade creditors</p> <p>As noted in section 3 above, there were various supplier balance within trade creditors which had a debit balance. This was due to many factors such as payments made on account or direct debits paid but no invoice posted. The expenditure for such balances has been accrued for in the accounts.</p> <p>We would recommend that processes around how these debit balances have arisen are reviewed to ensure that expenditure is complete, that payments are made for valid expenditure and that any missing invoices are chased for record keeping purposes.</p>		<p>Agreed. The majority of the debit balances arise where VAT invoices are not sought for proforma invoice payments and direct debits. We are currently looking at ways to reduce the use of proforma invoices, and we are working with regular suppliers to access invoices via portals and other electronic methods.</p> <p>We are confident that this will not be a significant issue next year.</p>

5. Update from last year

We have set out below the systems and control issues on which we reported after our audit last year together with an update on how the points raised have been addressed including information on the progress made at the time of the audit of the 2019 financial statements.

Recommendation fully implemented or no longer relevant	
Recommendation partially implemented	
No progress on recommendation	

Please note that these colour codings are based on the status of the actions taken rather than the severity of the observation which is shown against the observation itself.

Observations in 2019	Update 2020
<p>1. Income journals</p> <p>When testing the Summer Ball income it was found that one line of the income journal had not been posted in error. Instead the overage line in the journal incorporated the amount that had not been posted to the Yoyo debtor.</p> <p>It was also found that income received through card payments at the Summer Ball could not be followed from the journal in the system to the bank statement, due to issues with the number of tills used, and the fact that the event goes on overnight so money is received in different stages despite the tills recognising all income as one day.</p> <p>We recommend that greater care is taken when posting journals, and also that processes are put in place to ensure that income posted to the bank in the accounting software can be identified in the bank.</p>	<p>No issues have been noted with journals being posted incorrectly this year. However we would recommend that this is an area that is continually monitored going forwards.</p> <p>Matter considered closed.</p>

Observations in 2019		Update 2020
<p>2. Supplier statement reconciliations</p> <p>When testing purchase ledger balances to supplier statements, it was noted for one balance that the balance per the system was higher than the supplier statement by £17k. Following further work by management the majority of this difference was due to credit notes on the supplier statement which were not on the system. Whilst this figure was not material and the balance in the accounts is potentially overstated, we recommend that any credit notes due are chased up and updated on the system.</p> <p>Regular reconciliations to supplier statements would provide comfort over balances due in the accounts</p> <p>Management response 2020:</p> <p>The Finance Manager is now able to download invoices and credit notes from the Molson Coors portal and will carry out regular reconciliations on this and any other significant supplier accounts.</p>		<p>One supplier statement selected (Molson Coors), had a creditors balance in the accounts of £20k which did not agree to the supplier statement showing a nil balance due. Upon investigation, it appears there were several Credit notes and some purchase invoices which were not on the SAP accounting system. This has now been adjusted for in the Financial statements.</p> <p>While we note this is due to difficulties with getting information from the supplier, there appears to have been no reconciliations for several months due to the Covid-19 pandemic and our recommendation still stands that regular reconciliations are undertaken on supplier balances to ensure the balances are accurate.</p> <p>Matter remains open.</p>
<p>3. Internal audit report</p> <p>During the year an internal audit report was compiled by KPMG. As part of our audit work we reviewed this report and looked at whether the recommendations had been taken on board.</p> <p>One of the points noted was regarding the investigation of cash differences in the Union tills that were above the given threshold, in that this was not happening. However when carrying out our income testing which includes reviewing the cashier summaries, we found that for the samples we selected they were signed and evidenced documentation to say investigations had taken place.</p> <p>Therefore we are satisfied that the recommendations given in the report are being taken on board. We note that other issues such as cash security, bank reconciliation reviews etc. that were not due to be completed by this point are in progress and we will monitor this next year.</p>		<p>No issues have been noted regarding cash differences this year. In addition, this year's internal audit report was reviewed, and recommendations appear to have been implemented,</p> <p>Matter now closed.</p>

Observations in 2019		Update 2020
<p>4. Old items on the bank reconciliation</p> <p>While the majority of old transactions noted previously have been cleared from the bank reconciliation, it should be noted that there are still unreconciled items dating back to January 2019 (24 receipts and 38 payments dated Jan/Feb 19). Uncleared payments at the year end totalled £201,180 and uncleared deposits totalled £224,550. The majority of these items are in relation to PDQ postings and cash banked which needs matching,</p> <p>Whilst we note the improvements in clearing the old unreconciled items from 2018 has been made, this matter remains open and we will monitor this next year.</p> <p><u>Management response 2020:</u></p> <p>The majority of the uncleared items have been addressed post year end and the Finance Manager will endeavour to clear the remaining items over the next few months and ensure that reconciling items are addressed monthly going forward.</p>		<p>While the uncleared payments and deposits are much lower this year, and on the main account appear to be current reconciling items, there are still uncleared payments dating back to 2017 on the Clubs account. Therefore we continue to recommend that old reconciling items are looked into, and if payment will not be taken, to clear these from the reconciliation.</p> <p>Matter remains open.</p>
<p>5. Unidentified income held as a creditor</p> <p>This balance has reduced by approximately half during the year following work done to identify as much income as possible and also some older unidentified transactions being written off.</p> <p>We note the improvements made on this account and will continue to monitor this next year. Matter remains open.</p> <p><u>Management response 2020:</u></p> <p>As well as clearing the current balance, we are also looking at ways to encourage CSPs to use the ICU website rather than third party platforms for all income collection. With 400 CSPs it is inevitable that there will always be some unidentified income but we are confident that with some systems improvements and regular reconciliations, the balance will be reduced and maintained at a manageable level.</p>		<p>As noted in section 3, this balance has grown this year from £39k to £81k due to issues in implementing the 'Stripe' payment system. We understand these issues have now been resolved and therefore would expect the balance to reduce going forward. We will be revisiting this balance next year.</p> <p>Matter remains open.</p>

Observations in 2019		Update 2020
<p>6. Balances Owed between College and Union</p> <p>The main 'intercompany' balance included in the accounts as a creditor for amounts due to Imperial College at the year end is £988,586. This balance has been agreed to the College records with a difference of £38,978 which has been further reconciled by management to a difference of £414.</p> <p>We recommend that these balances are agreed with the College at the year end especially given this year the College are not consolidating the Union's figures into the College accounts and so no reconciliation of the balances was carried out.</p> <p><u>Management response 2020:</u></p> <p>It is always a challenge to agree an intercompany balance with College because transactions with the Union are not held centrally in one account in College. The problem has been exacerbated this year because of the way in which College dealt with furlough payroll costs.</p> <p>We are confident in the figures we have produced and the intercompany balance shown in the accounts, and are currently working with senior College finance staff to resolve the payroll matter.</p>		<p>The balance for payroll obtained by the college this year agreed to the balance per the Student Union within £2k.</p> <p>The Creditor balance did not agree to the College by £46k, majority of this difference is £35k of missing invoices which the Union has accrued for separately therefore not understated in the SOFA.</p> <p>Matter remains open.</p>
<p>7. Accounting for Investments</p> <p>We note that the Rathbones investments are accounted for on a cash basis with the market value reflected at the year end. The accounting treatment to account for cash investment and disinvestment through the bank is acceptable for the purposes of the investments note in the accounts. Most clients would also maintain a separate record of the individual investment holdings which tracks back to the holdings held by Rathbones in their investments report.</p> <p>Investments have been increased to reflect the market value at the year end during the audit and is included in adjusted items later in this report</p>		<p>Finance have prepared an investments reconciliation spreadsheet for the investments held within the Rathbones portfolio at the year end. There was a discrepancy with the opening book cost of £5k which is not material to the accounts, we recommend that the investments are reconciled on a quarterly basis to identify any changes in book costs more easily.</p> <p>Matter now closed but we will monitor this again next year.</p>

6. Reporting audit adjustments

International Standards on Auditing (UK) require that we report to you all misstatements which we identified as a result of the audit process but which were not adjusted by management, unless those matters are clearly trivial in size or nature.

Our audit approach is based on consideration of audit materiality as explained in section 1 of this report. We determine materiality for the purposes of the charity's statutory reporting by our judgement as to what adjustments would influence the readers' perceptions of the financial statements. We do not therefore seek to review all immaterial amounts. For the purpose of reporting non-trivial items identified as a result of our audit work which have not been adjusted in the financial statements we set out in our Audit Planning Report that we would report unadjusted misstatements greater than £5,000 unless they are qualitatively material at a lower amount.

Adjusted items	Net income increase /(decrease)	Assets increase /(decrease)	Liabilities increase /(decrease)	Opening reserves
	£	£	£	£
Result per trial balance provided on day 1 of audit	(598,290)			
Client adjustments V1 to V4 draft accounts	45,835	12,733	(33,102)	-
Further bad debt provision	(34,651)	(34,651)	-	-
Molson Coors supplier balance correction	16,703	(3,341)	(20,044)	-
Additional accruals following review of debit balances in creditors	(19,895)	-	19,895	-
Reallocation of realised investment gains from investment income to change in market value	11,193 (11,193)	-	-	-
Debtor credit note provision	(3,500)	(4,200)	(700)	-
Reallocation of debit balance on credit card to debtors	-	32,856	32,856	-
Debit balances within creditors, offset with accruals and debtors	-	20,143	(71,576) & 91,719	-
Total adjustments	4,492	23,540	19,048	-
Revised result per the final financial statements	(593,798)			

We are pleased to report that there are no remaining unadjusted items identified from our audit in excess of the above trivial limit.

Appendix 1 - Managing in uncertain times

Threats arising from certain crises can be existential and circumstances are unprecedented and the scale and impact of risks and challenges make them different to routine challenges. For example, with the current pandemic the speed at which events unfold, change and impact does not allow time to interpret risks using the usual approaches. The only certainty is that there will be even more change in the future and that this will continue to impact in a number of ways many of which will be new and unprecedented. This means that whilst the immediate need may be issues such as protecting people and survival of the organisation there will be need to consider both the near term as organisations develop coping and stabilisation strategies and also longer-term strategies to optimise their position post recovery.

Many organisations learned how to adapt and manage turbulent times during the downturn in 2008 to 2009. There was recognition that emotional stress had to be factored in and this is even more important now.

The continued uncertainty and volatility of income, instability in markets along with new cost considerations has dramatically increased the exposure to liquidity risk; underlining how vital it is to have robust assumptions behind forecasts. When it is unclear how long a cash crisis may last it is important to consider needs for both now and later. When times get hard charities that have free reserves will need to consider if, when and how they use them. How much to use reserves, what for and when and how will need careful consideration.

The extent of uncertainty differs, at one end many of the perceived unknowns are in fact “knowable” and at the other there can be massive almost total uncertainty. In between lies the more common state of uncertainty where there are a number of possible alternatives that can be planned for.

Strategy must be able to deal with uncertainty and at a time when predicting the probable is difficult to say the least, strategies and tactics have to be developed on the premise that several different outcomes are possible. If there is total uncertainty which can happen when many issues interact it becomes virtually impossible to predict or even identify all the possible outcomes. In such cases strategy and planning is focused on recognising that this stage of total uncertainty is often transitory and that whilst firefighting and

dealing with the present it is also important to try to identify triggers and trends and be ready to act decisively at the right time.

In times of existential threats there is need to review and perhaps change plans at very short notice – sometimes daily. Whilst the short term is important it is also important to consider the longer term and to think hard indirect and direct implications of unfolding events. Thinking both beyond the typical planning horizon and about matters that are unfolding in real time is vital to develop action plans for different scenarios to monitoring trigger points. This make it possible for the organisation to decide when plan A or plan B needs to be implemented. For example, ‘if income looks like it is going to drop by X we will do Y...’

A focus on high impact risk is important, but one should not forget how a lower significance risk can escalate to a very high impact risk because of risk dependencies. An isolated concentration on value at risk can sometimes result in not spotting ‘risk contagion’ – in other words where one low impact risk leads to another and another so that the cumulative impact is catastrophic. Many studies have shown that most business failures are the result of a series of small, linked events rather than a single large event. If organisations only look at the big risks they can often end up lethally ill-prepared to face the interaction of separate adverse events.

Since risks invariably interact it is important to think about them in clusters rather than individual risks. This is particularly relevant in times of uncertainty. Some risks are obvious as possibly having a direct and often immediate impact whilst others have an indirect impact and it is important not to dismiss these.

Traditional risk registers and heat maps have less relevance in times of great uncertainty and it is important for decision makers to carefully consider implications and actions and what estimates and assumptions are being used, their limitations and how they might need to change. There needs to be discussion about triggers and early warnings, how actions need to be prioritised, what risks can be mitigated, which need to be accepted and how they will be managed.

Many think that, in times of grave uncertainty where the risks are too difficult to identify, risk management has little value. They refer to the unknown

unknowns but in reality there are many known unknowns and effective risk management helps organisations manage the known unknowns whilst recognising that there are unknown unknowns. It also puts organisations into a better position to manage the unknown when it becomes known and should also help earlier identification of direct and indirect risks.

There is always benefit in taking a good hard look at how efficiently activities are carried out and services are delivered. Ways of working have necessarily changed and will continue to evolve. The question is are leaders acting as catalysts for change when it is needed?

Organisations often do all these things but seem to be averse to looking at the fundamental business model and considering how fit for purpose it is. As income streams change and cost structures evolve it is important to consider whether the fundamental operating model can be improved. Strategic alliances, collaborative working and mergers need to be on the agenda. There are no stereotype answers but try and avoid dismissing things based on previous and sometimes biased analyses. New times require new responses. Organisations need to avoid knee jerk reactions whilst recognising that change is inevitable. It is important to act decisively balancing the need to consider hypotheses and options with the urgency that may be required. There is a need to ensure that the response is flexible enough and can be adapted as the environment changes whilst also recognising that responses may need to be urgent and immediate. There are a number of steps before launching into responses. Simplistically this can be broken into three key areas:

Early and quick-thinking stage – This requires identifying the right people to think about the key uncertainties that can impact the organisation. We have seen organisations set up effective “nerve centres” that consider what is needed to keep on track. Remember to consider direct and indirect drivers and short and long term implications. Avoid group think and be ready to look beyond the obvious identifying both risks and opportunities.

Consider the strategic choices – This requires revisiting earlier strategic plans and tactics. Consider the different scenarios and the strategic choices

and options for action. Are the right structures, resources and procedures in place to first make the right choices and then to capitalise on them? There need to be triggers for actions as scenarios become reality and ways of identifying warning signs and alerts. This stage requires analyses and interpretation of the choices that are available and the resources needed to make them.

Taking action – As the organisation implements its plan and tactics there will be need to have in place a strong change enablement framework that considers both the organisational and people transitions that may be necessary. There is a need to remain nimble and flexible and recognise that the first two stages may not have come up with the right answers and that the options and actions may need to change accordingly. As organisations have their resilience tested they will focus on what is nice to have and what they must have. Areas seen as discretionary spend such as training, marketing and service development are often the first to be cut but it is important not to forget the importance of ensuring that organisations are well positioned for the period of recovery and to recognise that there will be yet another new normal.

As difficult as it may seem during a crisis – situations improve and the organisations that will be best placed are those that make the right decisions through the periods of uncertainty. The key is to think carefully about the future and be ready to face challenges and respond to the opportunities as they arise.

More information can be found on our website <https://www.crowe.com/uk/croweuk/insights/non-profits-managing-in-uncertain-times> .

Appendix 2 - Cyber security: a strategic risk management issue

Today's organisations collect process and retain more information than they have ever done. For not for profits, this information can be internal so can be about their own operations or employees or their 'business' or collected from external sources such as from beneficiaries, donors, or even customers, if they run any trading activities.

The impact of this digital retention of information means that organisations have become more dependent on information systems and more vulnerable to attack by sophisticated cybercriminals or even their own employees.

The results of numerous surveys and research show that organisations are still not adequately protected against cyber-attacks. Nearly two-thirds of companies across sectors and regions responding to a joint research carried out by McKinsey and the World Economic Forum described the risk of cyber-attack as a "significant issue that could have major strategic implications."

The impact of the controls put in place to mitigate against this risk is thought to be having negative business impacts by slowing the use of technology such as the use of public-cloud services and even reducing productivity by limiting the employee's ability to effectively share information.

Making organisations cyber-resilient is therefore now regarded as a key strategic risk management issue which should be monitored by Chief Executives and Boards. The following are some of the factors that organisations should consider.

- Prioritise which information asset should be protected – so for example for a charity with large donor base this could be the donor information.
- Consider differentiating protection based on the prioritisation – so for example, more rigorous passwords or encryptions.
- Integrate security into technology projects from the outset.
- Use defences such as firewalls to uncover attacks – consider penetration testing.

- Test the organisations response to breaches – so make sure there is a strategy in place known by the communication team for managing the messages when a breach occurs.
- Raise your employees and users understanding and awareness of the importance of protecting the not for profit's information. Often organisations are made vulnerable to attacks because employees and volunteers do not observe the basic information security measures – for example by emailing sensitive files to a large group or using memory sticks with bugs or clicking on unsecure links. Help the organisation understand the risks.

Cybersecurity should become a board agenda item and be integrated into functions such as HR or donor management or fundraising.

During 2016 the government established the National Cyber Security Centre (NCSC) with this being officially opened by Her Majesty The Queen on 14 February 2017. The NCSC was set up to help protect our critical services from cyber-attacks, manage major incidents and improve the underlying security of the UK Internet through technological improvement and advice to citizens and organisations.

The NCSC has a stated aim of providing the best possible cyber security advice and information to everyone in the UK, including the public and members of organisations of all kinds. One of their initial publications "10 Steps to Cyber Security" outlines the basic cyber security procedures to protect your organisation from cyber-attacks, while their "Cyber Essentials" allows organisations to advertise that they meet a government endorsed standard of cyber hygiene.

The 10 Steps to Cyber Security emphasises that protecting your information is a board-level responsibility which has benefits at strategic, financial and operational levels. It includes a set of questions to assist Senior Management and Trustees with their existing strategic-level risk discussions and specifically how to ensure you have the right safeguards and cultures in place.

We believe that these questions, with a slight change in focus, are equally applicable to charities.

Key questions for Senior Management and Boards

Protection of key information assets is critical

1. How confident are we that our charity's most important information is being properly managed and is safe from cyber threats?
2. Are we clear that the Trustees and Senior Management are likely to be key targets?
3. Do we have a full and accurate picture of:
 - the impact on our charity's reputation or existence if sensitive internal, supporter or beneficiary information held by the charity were to be lost or stolen?
 - the impact on the charity's activities if its online activities were disrupted for a short or sustained period?

Exploring who might compromise our information and why is critical.

4. Do we receive regular intelligence from the Chief Information Officer / Head of Security on who may be targeting our charity, their methods and their motivations?
5. Do we encourage our technical staff to enter into information sharing exchanges with other charities in our sector and/or across the economy in order to benchmark, learn from others and help identify emerging threats?

Pro-active management of the cyber risk at Board level is critical

6. The cyber security risk impacts reputation, culture, staff, information, process control, brand, technology, pricing and finance. Are we confident that:
 - We have identified our key information assets and thoroughly assessed their vulnerability to attack?
 - Responsibility for the cyber risk has been allocated appropriately? Is it on the risk register?
 - We have a written information security policy in place, which is championed by us and supported through regular staff training? Are we confident the entire workforce understands and follows it?

Appendix 3 - External developments

We have summarised below some of the developments and changes in the charity sector over the recent period which we believe may be of interest and relevant to you. Please note that this information is provided as a summary only and that you should seek further advice if you believe that you have any specific related issues or intend to take or not take action based on any of the comments below.

We issue a regular technical briefing for charities by email. If you would like to receive this please email your details to nonprofits@crowecw.co.uk . Alternatively, these briefings are available in the resource library on [our website](#).

Governance

Alert for charities - the importance of transparent and accountable governance

The Charity Commission has in June 2020 issued an alert to leaders of large or complex, service-providing charities to highlight the importance of transparent and accountable governance. The alert is for charities with income over £9 million with a complex governance and management structure and those providing services with front line staff that directly serve and interact with beneficiaries, some of whom may be vulnerable. The alert is accompanied by a letter from Helen Stephenson, the Chief Executive Officer of the Charity Commission. In the letter she explains that: “we have seen grave governance failings in some household name charities. These failings have resulted in serious incidents which have put people at risk of harm and exposed the charities in question to financial and reputational damage.”

The alert has advice for both Trustees and the executive with respect to ensuring effective oversight of charities. The Commission explains that charities should check that their ‘general governance arrangements are appropriate, in particular your risk management measures, assurance mechanisms relating to the charity’s activities and people protection arrangements’ if this has not been done within the last 12 months. They explain that they will contact a sample of recipients of this alert later in 2020 to understand what measures are in place to manage identified risks.

https://www.gov.uk/government/publications/alert-for-charities-the-importance-of-transparent-and-accountable-governance?utm_source=00ce559b-7d3a-4b5c-9de5-95aa0f03f09c&utm_medium=email&utm_campaign=govuk-notifications&utm_content=immediate

COVID-19 (Coronavirus) - Managing the impact.

It is difficult to predict the financial or operational implications of the outbreak of COVID-19 on the UK economy or the organisations which operate within it. Evidence from other countries where there has been a significant outbreak suggests a slowdown in economic activity either as a result of governmental response or from changes in individual behaviours. This could therefore be significant for all organisations including charities.

<https://www.crowe.com/uk/croweuk/insights/covid-19-hub>

More specifically for charities, reduced funding, an unavailable workforce or a drop in visitor numbers are just a handful of the issues that could affect different charities in the coming weeks as the impact of coronavirus becomes clearer. It is important for organisations to start scenario planning and revisit their strategies to reduce any potential impact. Our blog written for the Charity Finance Group on the 11th of March 2020 highlights a number of areas charities need to consider in their scenario planning, budgeting, forecasting and risk registers. You can read the full blog on the Charity Finance Group’s website:

https://www.cfg.org.uk/covid19_what_planning_should_charities_be_undertaking

We have also issued an update considering the potential impact of the new COVID-19 (coronavirus) on the yet to be published annual reports and financial statements of charities:

<https://www.crowe.com/uk/croweuk/insights/covid-19-financial-reporting-charities>

We will be working hard to share any information and knowledge required by charities during this crisis and will update our website regularly and through our social media links.

The Charity Commission has published “Guidance to help with running your charity during the coronavirus (COVID-19) outbreak” <https://www.gov.uk/government/news/coronavirus-covid-19-guidance-for-the-charity-sector>. This guidance is updated regularly as issues are raised with the Commission pertaining to charities.

Workplace bullying in charities and the implications for leadership

The government, Charity Commission and umbrella organisations have initiated urgent work to address the safeguarding challenges within the charity sector in response to the reports in recent years of abusive organisational cultures as well as revelations about sexual exploitation and abuse of beneficiaries within the international aid sector.

Within this response a report ‘*In Plain Sight: Workplace bullying in charities and the implications for leadership*’ has been funded by the Department for Digital, Culture, Media and Sport (DCMS) and produced as a collaboration between ACEVO, the Association of Chief Executives of Voluntary Organisations, and Centre for Mental Health.

The investigation and report draws upon the voices of victims of bullying in charities to describe the conditions in which it occurs and might persist, and provides analysis and recommendations for what charity leaders should do to create safer working cultures.

As well as providing a summary of the results of a detailed anonymous online survey returned by over 500 respondents, in-depth interviews with 20 victims of bullying, and personal accounts of victims of bullying, the report also provides information on relevant government and Charity Commission policy and advice as well as other charity sector initiatives.

In its conclusions, the report identifies six sector-specific systemic stressors and three key cultural and relational factors linked to the management of conflict, which appear particular to charitable organisations’ culture and behaviour.

- weaknesses in governance and senior leadership

- weaknesses in organisational policies, procedures and practices
- a lack of information, skills and confidence within the charity workforce to identify and respond to bullying
- uncertainty among victims and charities about the regulatory framework and the specific remit of the Charity Commission in relation to bullying
- the absence of any sector-wide initiative to respond to bullying or promote healthier workplace cultures
- the absence of internal or external recourse for victims of bullying, or for concerned charity leaders
- charities become preoccupied internally with the same kinds of conflict they deal with in their mission – ‘mirroring’
- breakdown of trusting and respectful working relationships
- failure to acknowledge or resolve internal conflict over time, leading to patterns of emotionally abusive behaviour becoming established within organisational culture.

There is zero tolerance in the government response to safeguarding and addressing bullying cultures in both the international sector and domestic charities – it is an absolute requirement for charity leaders to put in place robust and effective systems for internal leadership and management to identify, report, investigate and deal with misconduct, and to remove wrongdoers. The report includes five detailed recommendations covering areas of governance, policy, the regulatory framework and sectoral cultural change.

The report is intended to be read by staff, managers and leaders within the charity sector, as well as policy makers and the victims of bullying who participated in the online survey and interviews.

The full report is available from the ACEVO website <https://www.acevo.org.uk/wp-content/uploads/2019/07/In-Plain-Sight.pdf> .

Safeguarding resources

The National Council for Voluntary Organisations (NCVO) has launched a range of free safeguarding resources, supported by other organisations, to help charities create and implement relevant safeguarding plans.

The NCVO resources site recognises that safeguarding is about making sure your organisation is run in a way that actively prevents harm, harassment, bullying, abuse and neglect as well as being ready to respond safely and well if there is a problem. It acknowledges that everyone in an organisation has a role to play in safeguarding and that this should become part of the day to day activities.

This resource is structured as a series of links to web-based resources which outline simple steps that charities can take to ensure that they are run in a way that actively prevents staff, volunteers and everyone they come into contact with from suffering harm, harassment, bullying, abuse and neglect.

The safeguarding resources are available on the NCVO knowhow website <https://knowhow.ncvo.org.uk/safeguarding>

The Charity Commission has also updated its guidance on safeguarding and protecting people which sets out what charities should do to protect people who come into contact with the charity through its work with abuse or mistreatment of any kind. Although much of the guidance remains unchanged, the updates include when to consider DBS checks and how to put into practice policies and procedures, along with signposting to new sector resources.

The full updated guidance can be accessed from the GOV.UK website <https://www.gov.uk/guidance/safeguarding-duties-for-charity-trustees>.

Charity Commission - Reporting a serious incident in your charity when it involves a partner

In December 2019, the Charity Commission issued new guidance for charity trustees on when to report incidents involving the charity's partners as a serious incident.

For this guidance, partners include:

- delivery partners or sub-contractors of the charity

- a subsidiary trading company of the charity
- organisations that receive funding from the charity
- another charity or organisation that is linked to the charity, for example as part of a federated structure.

The guidance states that “Trustees should make a serious incident report when an incident has occurred involving one of the charity’s partners in the UK or internationally, which materially affects the charity, its staff, operations, finances and/or reputation such that it is serious enough to be reported.”

Although the guidance recognises that it is for the trustees to determine whether an incident is ‘serious enough’, it looks at three scenarios, and incidents within these, which are most likely to trigger the requirement to report a serious incident. The three scenarios are:

- the incident involves the charity's funds, brand, people or an activity that it funds or is responsible for
- the incident does not involve the charity's funds, brand or people but could have a significant impact on the charity
- the incident does not involve the charity's funds, brand or people and has little or no impact on the charity.

The full guidance can be seen on the GOV.UK website - <https://www.gov.uk/guidance/reporting-a-serious-incident-in-your-charity-when-it-involves-a-partner>

Assessing risk for charities working internationally

The International Charities Engagement Team at the Charity Commission in May 2019 published a blog looking at the particular risks that are faced by charities working internationally including the application of financial sanctions, greater levels of corruption or criminal activity and the presence of terrorists, proscribed groups or designated entities.

The blog recognises that there is no universally recognised criteria for assessing and determining risk and ultimately each charity must decide what is in the best interest of the charity. However, it also emphasises that recent events in 2019 demonstrate how practical the Charity Commission PESTLE

analysis tool can be when assessing the risk arising from a range of external factors, and their impact on a charity working internationally.

The blog recommends that charities working internationally should have a dynamic risk assessment process which is conducted regularly and which includes looking at chapter 2 of the Charity Commission Compliance Toolkit which provide guidance on due diligence, monitoring and verifying the end use of charitable funds.

The blog, which includes links to the Compliance Toolkit, can be seen on the GOV.UK website <https://charitycommission.blog.gov.uk/2019/05/03/how-to-assess-risk-for-charities-working-internationally/>.

Preventing charity fraud

The Fraud Advisory Panel, supported by the Charity Commission, has recently published a report *'Preventing Charity Fraud: Insights and Action'*.

Ten years on from a report by the Fraud Advisory Panel on fraud in the charity sector, the Commission (partnered with the Fraud Advisory Panel) repeated and extended the scope of that survey, contacting a representative sample of 15,000 registered charities across England and Wales. With a 22% response rate, this is the largest ever analysis of fraud committed against UK charities.

The report on Preventing Charity Fraud highlights a number of conclusions, including a significant increase over the 10 years in the detrimental impact of fraud on charities, especially on their reputation. The report also finds that excessive trust is the main contributory factor that allows fraud to occur, suggesting more needs to be done to embed a culture of scrutiny and appropriate challenge.

In response the report highlights a number of actions for charities including the need to boost resilience, focussing on preventing fraud rather than waiting until after they've fallen victim, and reviewing their financial controls on a regular basis. It also highlights eight principles of good counter-fraud practice and provides a Fraud Prevention Checklist which lists nine actions to be assessed by charity Trustees, staff and volunteers. The full report can be accessed from the GOV.UK website <https://www.gov.uk/government/publications/preventing-charity-fraud-insights-and-action>

Preventing charity cybercrime

Linked to the survey and report on charity fraud, the Fraud Advisory Panel has also published a report *'Preventing Charity Cybercrime: Insights and Action'*.

A positive conclusion from the report is that charities are increasingly aware of the risk of cybercrime. Perhaps not unexpected, larger charities are more likely to appreciate the threat, probably because they generally have a greater capability to detect cybercrime. Many small and medium sized charities are less aware of the cybercrime threat, and therefore likely to have fewer processes in place to help mitigate risk.

The report recognises that large charities are more likely to be the victim of a cybercrime than smaller charities, with phishing/malicious emails the most common method of attack. It highlights the need for charities to raise awareness of cybercrime and encourage Trustees, staff and volunteers to raise concerns, especially where phishing attacks and malicious emails are suspected. It also emphasises that charities should clarify responsibility for managing the risk of cybercrime and ensure it is a governance priority for the Board.

As well as providing various conclusions and actions, the report also emphasises that public trust and confidence in the sector relies upon good governance in charities and that within this, ensuring effective cyber security is a vital component. The full report can be accessed from the GOV.UK website <https://www.gov.uk/government/publications/preventing-charity-cyber-crime-insights-and-action>

Charity Commission - Fraud and cybercrime

Following the Fraud Advisory Panel reports, the Charity Commission has updated its guidance on protecting your charity from fraud and cybercrime by adding the eight guiding principles for tackling charity fraud:

- fraud will always happen – simply being a charity is no defence
- fraud threats change constantly
- prevention is (far) better than cure
- trust is exploited by fraudsters
- discovering fraud is a good thing

- report every individual fraud
- anti-fraud responses should be proportionate to the charity's size, activities and fraud risks
- fighting fraud is a job for everyone.

These eight guiding principles have been presented as a one-page summary which is available from the GOV.UK website

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/841056/8_Guiding_Principles_for_Tackling_Fraud_Final_Oct19.pdf

Fraud Advisory Panel resources

To provide access to the knowledge, skills and resources to protect against fraud and cybercrime, the Fraud Advisory Panel have set up an online resource centre - <https://www.fraudadvisorypanel.org/resource/> - to provide easy access to a collection of free guides and other tools designed to improve awareness and resilience in charities.

Advice line for whistleblowers

The Charity Commission, as part of its continuing aim to make it easier for charity workers and volunteers to draw serious concerns about their charity to our attention, have in June 2019 opened an advice line specifically for charity whistle-blowers.

Callers to this advice line will receive confidential advice to help them decide what to do about raising a serious concern about their charity, including whether and how to raise their concerns with the Commission. Although created by the Commission the advice line is being operated independently by the specialist whistleblowing charity Protect.

Further details for workers and volunteers on how to get advice from Protect on their free and confidential advice line (0800 055 7214) and on reporting to the Charity Commission can be obtained from the GOV.UK website <https://www.gov.uk/guidance/report-serious-wrongdoing-at-a-charity-as-a-worker-or-volunteer> .

Charity Governance Code - keeping the code up to date

In November 2019, the Steering Group responsible for updating and maintaining the Charity Governance Code published a consultation to inform the future development of the Code.

Following the publication of the new edition of the Code in summer 2017, the Steering Group intended to review the contents and impact of the Code at three-year intervals to make sure that it remained current. However, the Group have concluded that there is a balance to be struck between continually updating the Code and potential disruption to those using the Code, especially as it can take some time to work through all the recommendations. They are therefore proposing only a light 'refresh' of the Code in 2020, with more far-ranging changes taking place in 2023. In line with this they are looking to develop a 'route map' of suggested changes for implementation in 2023.

The current consultation process began 4 November 2019 and is set to run until 28 February 2020. Anyone interested in providing their input to the consultation can do this through the online survey www.surveymonkey.co.uk/r/TMRJFHF, or by email or post using the pdf copy of the consultation questions available on the Charity Governance Code website <https://www.charitygovernancecode.org/en/about-the-code-1/charity-consultation.pdf> .

However, we recommend that charities that necessarily send personal data from the UK should continue to monitor the guidance on the GOV.UK website <https://www.gov.uk/guidance/using-personal-data-after-brex> .

Taxation

Off-payroll working new rules and how they affect you

In July 2019, new draft off-payroll working rules were published introducing changes to the current regime, known as "IR35".

The new rules were due to take effect from April 2020 but have now been postponed to April 2021 in response to the outbreak of Covid-19. They require organisations engaging workers via a personal service company (PSC) or other similar intermediary to check whether the individual providing the

services should be treated as an employee or self-employed for tax purposes. If these checks show that the relationship is effectively one of employment, and therefore IR35 will apply, the business paying the PSC will have to deduct PAYE and NIC from payments made for the worker's services. Previously it was the responsibility of the PSC to make these deductions, but HMRC's view was that fewer than 10% of these organisations actually complied.

Small businesses will initially be exempt. For incorporated entities a small business is defined as one that meets two of the following three criteria:

- a turnover of less than £10.2 million
- a balance sheet of less than £5.1 million
- fewer than 50 employees.

However, an unincorporated entity need only exceed the £10.2 million turnover figure to be considered "not small".

It is essential that affected charities take action now to ensure that they are ready to comply with the new regime from April 2021 by identifying all off-payroll workers and reviewing the terms of engagement and the necessary policies and procedures put in place. This will include documenting the engagers' conclusions regarding the employment status of the worker and issuing a "Status Determination Statement" to the worker, the PSC and any other intermediary (such as an agency) in the chain of engagement.

If a charity establishes that the new rules will apply and that it should be deducting PAYE and NIC from payments made to a worker, it will need to evaluate the cost of the employer's NIC which will also apply, as well as any Apprenticeship Levy payments. This will need to be built into budgets going forward, and many engagers may re-evaluate the rates they are prepared to pay freelance workers as a result.

If the charity continues to engage with PSCs, remember that it is the charity's responsibility to perform and evidence an employment status check on the individual. Employment status is a subjective area based on case law rather than legislative tests and, as a result, there is an embedded risk.

The risk of getting the status wrong is expensive; not only would the charity, as the engager, be subject to interest costs and potentially penalties for failure to operate PAYE correctly, but it opens up the possibility of back taxes on the

individual worker for four or six years, depending on the specific rules applied. NIC can also be charged going back six years.

Extension to eligibility to join VAT groups

New VAT legislation has now been introduced which allows entities that are not 'corporate bodies', but which control other entities, to be included within a VAT group.

Prior to 1 November 2019, all members of a VAT group were required to be corporate entities (i.e. established by Royal Charter, Act of Parliament or as a company Limited by Guarantee) and consequently trusts, partnerships and individuals were not allowed to be included.

While many charities do have corporate status there are also many charities established as trusts that, while having ultimate control of other companies within a group, have not been able to join or form VAT groups because they are not incorporated.

A VAT group is a facilitation that allows entities that fall under common control to form a single VAT entity. Members of a VAT group are, therefore, not required to apply VAT to intra-group charges. In some cases this can save VAT where the group contains entities that are unable to recover VAT on costs in full (because they make exempt and/or 'non-business' supplies) and can also save on administration since one VAT return is submitted that aggregates all group members' activities.

If you have a 'non-corporate' entity, such as a charitable trust that has not been able to be part of, or form, a VAT group previously, there may be a benefit in applying to HMRC for group treatment. However, before doing this it is important to consider whether forming or changing a VAT group would require detrimental changes to existing partial exemption and/or business/non-business methods.

HMRC issues update on zero rated online advertising

We have previously highlighted that HMRC was looking at the VAT position on advertising services that charities receive from suppliers such as Facebook and Google. These had been interpreted as standard rated supplies of targeted marketing. HMRC's main argument being that the provision of 'advertising' services, where suppliers such as Facebook/Google are able to

target recipients by using their browsing history, is not 'advertising to the public' (a key condition for treating a supply to a charity as advertising).

In their latest guidance covering the VAT treatment of digital advertising services to charities, HMRC have now stated that 'location services' can be treated as zero rated. In HMRC's last correspondence with the Charity Tax Group, HMRC conceded that VAT relief could apply to a number of digital advertising services on the basis that the advertising processes involve the targeting of aggregated audiences and not individuals. This would include 'location services when supplied to a charity.

This is positive news for charities that acquire services from supplier such as Facebook and GoogleAds.

Charities who have accounted for VAT under the reverse charge on digital advertising should review the services received to quantify a claim to be made directly to HMRC. Where suppliers are based in the UK, charities should approach the suppliers to seek credit for any VAT that has been incorrectly charged.

In both of the above cases, overpaid or overcharged VAT should be claimed going back the statutory four years.

More information on this is available from our website:

<https://www.crowe.com/uk/croweuk/insights/vat-advertising>

Declaring VAT Reverse Charges

As well as the Google and Facebook Reverse Charge issue above, it will be easier for HMRC to see whether or not Reverse Charge VAT is being declared on other supplies from overseas as Making Tax Digital becomes further reaching in the next few years.

HMRC define overseas suppliers as any supplier who is based outside the UK, so the Reverse Charge applies to supplies from both EU and Non-EU suppliers. HMRC are looking at services received from these overseas suppliers, which if received from a UK supplier would have UK VAT charged at the standard rate, and then checking to see if entities have applied a Reverse Charge to these services on their VAT returns.

As well as marketing services, services can include web hosting, software licences, consultancy, photocopier/asset hire and other marketing services.

Charges for such services must be converted into sterling, and the receiving entity must then charge itself VAT at the standard rate on these charges and account for the VAT on their return.

This can be important for charities, both because a lot of the services purchased abroad do not give the charity the right to a full recovery of input tax, and because not applying the Reverse Charge has led to assessments which could, in turn, lead to penalties for not completing VAT returns with 'reasonable care'.

Catering Sales and the HMRC Challenge

Catering to students is VAT Exempt when provided by Universities as closely related to its educational supplies. By an Extra Statutory Concession, intended to leave Students' Unions on a 'level playing field' especially at Campus Universities, catering to students can be treated as VAT Exempt when provided by a Union (and not its Trading Subsidiary).

Paragraph 5.5 of HMRC VAT Public Notice 709/1 (catering) sets out the conditions which need to be met and any exclusions. The paragraph contains ambiguous wording, even after it was slightly revised around 2009.

The key comment added on revision was with the exclusions, with catering outlets shown as qualifying in both versions but the later draft adding an "(excluding bars)" caveat to such catering outlets.

The HMRC challenge first arose at Exeter Guild of Students (as aired on-line by the BBC). Further Unions have been similarly challenged.

As far as we are aware, each of these Unions has been assessed back 4 years for 'catering in bars', all covering supplies of on-premises catering in its ordinary sense where alcohol drinks sales at such venues are anything more than minimal.

We understand that the NUS is trying to coordinate a combined challenge to this issue.

No liability or disclosure has been made in the year-end financial statements of the Union, as the Union believes that it would have a robust defence in the event that it were challenged by HMRC.

All Unions should assess their potential exposure to liability as a result of the activities undertaken, and attempt to quantify this. They should also explore actions that they could take to manage this risk moving forward.

Specialist advice in this areas can be provided by Chris Dears within our VAT unit (Chris.Dears@Crowe.co.uk).

Supreme Court hearing on sleep-ins

The Supreme Court has announced that it will hear the latest appeal of the Royal Mencap Society v Tomlinson-Blake on 12 and 13 February 2020, with a decision expected by July 2020.

This case relates to social care workers on sleep-in shifts where they provide overnight on-call support to patients but where they are expected to sleep through the majority of the shift. For these shifts employers historically paid flat-rate fees at rates below the minimum wage. Employment tribunal hearings in 2016 and 2017 ruled that that the minimum wage should be applied to the shift time and that relevant workers were entitled to back-pay for historic underpayment.

This was overturned by judges in the Court of Appeal in 2018. However, Unison (representing Tomlinson-Blake) has been granted permission by the Supreme Court to appeal the Court of Appeal ruling.

Following the initial employment tribunal hearing the government published guidance stating that sleep-in shift care workers were entitled to the full minimum wage. However, it updated its guidance last year after the Court of Appeal overturned the ruling, and now says that “*Workers who are expected to sleep for most of a sleep-in shift will get the National Minimum Wage only when they are woken up to perform tasks*”.

But the government has also included a caveat that if the Supreme Court rules in favour of Tomlinson-Blake, its guidance could change once more. The guidance is on the GOV.UK website <https://www.gov.uk/night-working-hours>.

National Minimum Wage – are you getting it right?

National Minimum Wage (NMW) applies to most workers over school leaving age including casual, part-time and agency workers. It is a criminal offence to not pay an individual NMW and those who do not comply will be publicly named after October 2013. As a result, many household names are falling

victim to the NMW regulations and importantly which payments or deductions from a worker’s salary reduce pay for NMW purposes.

The government have said that the “top five reasons for National Minimum and Living Wage underpayments...were:

- taking deductions from wages for costs such as uniforms
- underpaying apprentices
- failing to pay travel time
- misusing the accommodation offset
- using the wrong time periods for calculating pay.”

In addition for charities there is a risk that they inadvertently give volunteers an employment status. There is also the ongoing legal challenge on the status of employees providing sleep-in services - the current position on this is that workers who are expected to sleep for most of a sleep-in shift will get the NMW only when they are woken up to perform tasks. However, the Supreme Court has set a date in February 2020 to hear an appeal against this ruling.

It is therefore important that charities regularly review and keep up to date with this area. The NMW rates change every April and the current rates alongside common examples which may deduce NMW pay are summarised below.

Which deductions reduce can pay below NMW?

Broadly speaking and under regulation 12(1) of the National Minimum Wage Regulations 2015, if payment from a worker to the employer (or a deduction from worker’s pay) is for the employer’s use and benefit, then this reduces NMW pay. However, if payment from a worker to the employer (or a deduction from worker’s pay) is not for the employer’s use and benefit and the worker has free choice on whether to make a purchase, then this does not reduce NMW pay.

Four common deduction examples, including in relation to training costs, are set out below. Note that there is an exception to the above where a deduction is “*in respect of the worker’s conduct, or any other event, where the worker...is contractually liable*”.

1. Uniforms

Our experience is that HMRC will treat any requirement for employees to purchase specific work clothes, even from their employer, as a deduction that reduces the average rate of pay. HMRC is and has been targeting employers that require only a simple uniform (e.g. black trousers and white shirt) which can be purchased from any retailer and is applying notional deductions from salary (they have done this with Wagamama, TGI Fridays and Primark in recent times).

For the purposes of calculating the NMW, those theoretical clothing costs would be deducted from the wages received during the first reference period and, if the average rate falls below the prescribed minimum, a breach may be said to have occurred. Therefore, care should be taken in this area. However, if the dress code imposed on employees is vague and less specific, such as smart workwear, then this does not appear to affect NMW.

2. Season ticket loans

Any payments or deductions made to repay the amount of a loan or advance (including season ticket loans) will not reduce NMW pay provided there is supporting documentation covering the terms of the loan agreement and sufficient pay records to show that a genuine loan advance was made and the employee has received the money.

3. Pensions via salary sacrifice

Employer contributions to an employee's pension are not classified as payments to the employee and these payments therefore do not count toward a worker's total remuneration. It is therefore important that any pension salary sacrifice arrangement cannot take the employee's remaining pay below the NMW. However, the same issue does not apply to additional employee contributions because it is the employee's gross salary before any employee pension contributions are made which counts for NMW purposes.

4. Training costs

Training costs are sometimes paid by workers to their employer, or deducted from a worker's pay. If the arrangement is contractual, then any payments or deductions would reduce NMW pay as the expense is incurred in connection with their employment duties as per regulation 13 of the National Minimum Wage Regulations 2015.

However, where an employer makes a deduction from a worker's pay and uses it to pay expenses to a third party for training or other costs at the request of the worker, deductions will not reduce NMW pay. These costs must be a liability of the worker and not a requirement of the employer, and the employer cannot impose an administrative charge for making the deduction.

Note that care should be taken when training expenses are incurred to be in a position to do or secure the job as the same rules may not apply.

Current rates

The rates for the National Living Wage (employees over 25) and the National Minimum Wage (employees under 25) are below for the current tax year. The rates update every April.

Age	25 and over	21 to 24	18 to 20	Under 18	Apprentice
April 2020	£8.72	£8.20	£6.45	£4.55	£4.15

You should always consider when making any deductions from a worker's pay, or receiving any payments from a worker if these amounts are for the employer's use and benefit and the necessary NMW implications.

The National Minimum Wage Regulations 2015 can be seen on the GOV.UK website - <https://www.legislation.gov.uk/ukxi/2015/621/contents/made>

Compliance

Charity Commission guidance from the internet

In September 2019, the government published a new access page for the Charity Commission guidance. As well as providing a list of all Charity Commission 'CC' guidance (CC3 to CC49) it also lists the available guidance under six topics:

- Trustee role and board
- charity money, tax and accounts

- managing your charity
- staff and volunteers
- fundraising
- setting up a charity.

Within each topic the guidance is further segregated to help readers identify guidance that will be relevant to them, for example the 'Trustee role and board' guidance is presented under 'introductory guides', 'essential reading', 'detailed guidance' and 'other'. The other topics have different but relevant groupings for their guidance documents.

The page also has a link to a search facility which may be helpful to users looking for guidance on specific topics. The access page is on the GOV.UK website <https://www.gov.uk/guidance/charity-commission-guidance> .

Brexit and GDPR

One issue that Trustees will need to consider going forward will be the impact of Brexit on the GDPR requirements. Initial guidance from the Government was withdrawn and the website page now says "*The UK is leaving the EU. This page tells you how to prepare for Brexit and will be updated if anything changes*". It also says "*You do not need to do anything now to continue sending personal data out of the UK to the EEA after Brexit. UK organisations will still be able to legally send personal data from the UK to the EEA and 13 countries deemed adequate by the EU.*"

Appendix 4 - Non Profits events, courses and briefings

We believe it is important to keep our clients up to date on the issues that affect them and, as a part of our ongoing communication, we regularly hold seminars and courses. Unfortunately, due to the current Covid-19 restrictions, we have necessarily had to suspend our face to face courses and seminars.

Although we hope to be able to return to our seminars and courses in the not too distant future, we are currently working to replace some of these as webinars. We have a number of webinars currently in development and will make these available as soon as we can.

As a result the webinar sessions are likely to be put out with relatively short notice and we therefore encourage you to visit our website (<https://www.crowe.com/uk/croweuk/industries/webinars>).or register to our mailing list (nonprofits@crowe.co.uk) to stay updated on these. Any webinars which you have missed remain available on demand on our website.

Past and planned webinars

These sessions are run by experts from our Non-Profits team on topical issues. Full details of timing and how to register are on our website.

• Governance for non-profits in a VUCA world
• Demonstrating your charity's impact
• COVID-19 financial reporting issues for charities
• Bite sized Trustee Essential: Reserves, going concern and reporting
• Understanding and managing reserves
• Efficiency and Productivity
• Planning for recovery
• COVID-19 and cybercrime
• COVID-19 and fraud
• Making Tax Digital for VAT 2020
• Charity VAT update
• VAT bitesize webinars
• Managing your cashflow with CBILS and CJRS
• Off payroll working

We hope to be able to return to our direct seminar sessions in the future and have therefore retained a number of dates for these as below.

Trustee essentials

Our Trustee essentials seminars have been developed to consider the issues facing trustees. We take an in-depth look at the key areas of responsibility which will provide trustees with useful information, tools and techniques. These sessions are full day seminars and cost only £50 per delegate.

• Charity VAT reliefs	25 Nov 2020
• INGO conference	Nov 2020

For further information on or to register for any of the above events, please visit our website <https://www.crowe.com/uk/croweuk/industries/non-profits> or email nonprofits@crowe.co.uk



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